RECEIVED

SEP 2 0 2001

PERMITAL CONCLUNICATIONS COMMISSION OFFICE OF THE SECRETARY

REVISED JOINT DECISION POINT LIST IV (SEPTEMBER 18) (INTERCARRIER COMPENSATION)

WorldCom, Cox, AT&T ads. Verizon (Docket Nos. 00-218, 00-249, and 00-251)

ISSUE NUMBERING KEY:

Category I: (1) unique to Cox or common to (2) Cox and WorldCom, (3) Cox and AT&T, or (4) all Petitioners

Category II: common to **WorldCom** and AT&T (pricing/costing)

Category III: common to WorldCom and AT&T (non-pricing/non-cost)

Category IV: unique to WorldCom Category V: unique to AT&T

Category VI: Verizon supplemental issues with WorldCom

Category VII: Verizon supplement issues with AT&T

KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY:

WorldCom (bold)
Cox (underline text)
AT&T (italic)

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
			Intercarrier Compensation		
I-5	What contract terms are	"ISP-bound Traffic" shall have	The ISP Remand Order resolves, pending judicial	To WorldCom and AT&T:	Verizon VA's proposals are
1	appropriate to implement the	the same meaning as is used in	review, many of the substantive issues that were the		directly responsive to the
[Linked	FCC's ISP Remand Order?	the FCC's Order on Remand	basis of the parties' disputes in their original	1. Traffic Measurement	Commission's instructions to the
to Issue		and Report and Order in CC	competing contract proposals regarding reciprocal	and Billing over	Parties to revisit their Issue I-5
IV-35]	Verizon may not refuse to include	Docket Nos. 96-98 & 99-68,	compensation. All parties now apparently agree that	Interconnection Trunks	positions in light of the ISP
	in the Agreement an adequate	FCC 01-131, released April 27,	the only issues remaining are implementation issues.	I.1 For billing purposes,	Remand Order. The language
1	description of the rates, terms and	2001 ("ISP Remand Order").	They also apparently agree that those	each Party shall pass Calling	proposed by Verizon VA is
	conditions applicable to the		implementation issues are properly addressed in the	Party Number (CPN)	necessary to implement that Order
1	parties' implementation of the	Section x. Compensation for	interconnection agreement.	information on at least ninety-	in a manner that is fair, consistent
İ	FCC's ISP Order, including	ISP-bound Traffic		five percent (95%) of calls	and nondiscriminatory.
	provisions addressing the	x.1 This section is intended to	Interconnection agreements should include	carried over the	,
1	following questions:	implement the FCC's ISP	provisions addressing implementation of the new	Interconnection Trunks.	See Rebuttal Testimony of Steven
L		Remand Order for any period	inter-carrier compensation regime because the <u>ISP</u>	1.1.1 As used in this Section	J. Pitterle and Pete D'Amico,

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
	What are the appropriate terms	in which both the ISP Remand	Remand Order makes clear that state commissions	I, "Traffic Rate" means the	dated August 17, 2001, at pp. 2-9.
	and conditions to	Order and this Agreement are	should play a role in implementing the new regime.	applicable Reciprocal	
	comprehensively implement the	in effect. The terms used in this	For example, the ISP Remand Order establishes a	Compensation Traffic rate,	
	Commission's ISP Remand	Section x shall have the same	"rebuttable presumption" that traffic exchanged	Measured Internet Traffic rate,	
]	Order?	meaning as those terms are used	between local carriers that "exceeds a 3:1 ratio of	intrastate Switched Exchange	
		in the ISP Remand Order.	terminating to originating traffic is ISP-bound	Access Service rate, interstate	
	[VZ NOTE: Per the Arbitrator's	Additionally, as used in this	traffic." ISP Remand Order ¶ 8. However, the ISP	Switched Exchange Access	
	ruling, this issue has been	Agreement, the term "ISP-	Remand Order further provides that "carriers that	Service rate, or	
	rephrased. VZ Would phrase the	bound Traffic" shall have the	seek to rebut this presumption, by showing that	intrastate/interstate Tandem	
	issue as: "What language should	same meaning as the term is	traffic above the ratio is not ISP-bound traffic or,	Transit Traffic rate, as provided	
	be included in the Parties'	used in the ISP Remand Order.	conversely, that traffic below the ratio is ISP-bound	in the Pricing Attachment, an	
	interconnection agreements to		traffic, may seek appropriate relief from their state	applicable Tariff, or, for	
	facilitate implementation of the	x.2 The Parties agree to pay	commission pursuant to section 252 of the Act." Id.	Measured Internet Traffic, the	
	Commission's ISP Remand	each other for delivering ISP-	(emphasis added). The ISP Remand Order thus	FCC Internet Order.	
İ	Order?"]	bound Traffic and section	clearly contemplates the continued involvement of	1.1.2 If the originating Party	
		251(b)(5) traffic in accordance	state commissions in the implementation of the new	passes CPN on ninety-five	
		with the terms and conditions of	inter-carrier compensation regime. (Grieco/Ball	percent (95%) or more of its	
ļ		this section x. For purposes of	Direct, 7/31, at 39-40).	calls, the receiving Party shall	
		this section x, ISP-bound		bill the originating Party the	
		Traffic and section 251(b)(5)	Moreover, under the ISP Remand Order, inter-	Traffic Rate applicable to each	
l		local traffic shall be identified	carrier compensation rates for ISP-bound traffic	relevant minute of traffic for	
1		in accordance with the	may continue to vary from state to state, and may	which CPN is passed. For any	
		provisions of Section x.4 below.	still be based on the reciprocal compensation rates	remaining (up to 5%) calls	
l		2 577	established by individual state commissions.	without CPN information, the	
		x.3 The information access	Incumbent LEC can invoke the new inter-carrier	receiving Party shall bill the	
		rates described in Sections	compensation regime "only if [the] incumbent LEC	originating Party for such	
1		x.3.2. for the delivery of ISP-	offers to exchange all traffic subject to section	traffic at the Traffic Rate	
		bound Traffic shall apply only	251(b)(5) at the same rate." ISP Remand Order ¶	applicable to each relevant	
		if: (a) Verizon requests that ISP-bound Traffic be treated at	89. If an incumbent carrier does not offer to	minute of traffic, in direct	
ļ			exchange all section 251(b)(5) traffic at the new rate,	proportion to the minutes of use	
		the rates specified in the ISP Remand Order; (b) Verizon	the Commission "order[s] them to exchange ISP- bound traffic at the state-approved or state-	of calls passed with CPN information.	
		offers to exchange all traffic	arbitrated reciprocal compensation rates reflected in	1.1.3 If the originating Party	1
		subject to the reciprocal	their contracts." <u>Id.</u> Incumbent LECs "may make	passes CPN on less than ninety-	1
		compensation provisions of	this election on a state-by-state basis." Id. n.179. If	five percent (95%) of its calls	
1		section 251(b)(5) with LECs,	the new inter-carrier compensation regime is to be	and the originating Party	
\		CLECs, and CMRS providers,	invoked on a state-by-state basis, state commissions	chooses to combine Reciprocal	
		at these information access	are in the best position to evaluate and implement	Compensation Traffic and Toll	
	L	at these information access	are in the best position to evaluate and implement	Compensation Traffic and Toll	L

 $\underline{\textbf{KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY}}; \textbf{WorldCom} \ (\textbf{bold}); \underline{\textbf{Cox}} \ (\textbf{underline text}); \textbf{AT\&T} \ (\textbf{italic}).$

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		rates; and (c) Verizon has paid	that new regime.	Traffic on the same trunk	
1		all passed due amounts owed on	(Id. At 40).	group, the receiving Party shall	
		WorldCom's delivery of ISP-		bill the higher of its interstate	
1		bound Traffic prior to June 14,	Finally, there are implementation issues raised by the	Switched Exchange Access	
		2001. If Verizon does not	ISP Remand Order that the Order itself does not	Service rates or its intrastate	
		comply with these conditions,	resolve. For example, the ISP Remand Order	Switched Exchange Access	
		then the rate for the delivery of	establishes caps on the growth in the number of	Services rates for all traffic that	
<u> </u>		ISP-bound Traffic shall be the	minutes of ISP-bound traffic for which a carrier may	is passed without CPN, unless	
ĺ		rate for reciprocal	charge incumbent LECs, but does not specify how	the Parties agree that other	
		compensation set forth in Table	the minutes of ISP-bound traffic should be	rates should apply to such	
		1 of this Attachment.	calculated. ISP Remand Order ¶ 78. That	traffic.	
			implementation issue can appropriately be addressed	1.2 At such time as a	
		x.3.1 The reciprocal	in interconnection agreements. (Id. At 40-41).	receiving Party has the	
		compensation rates shown in		capability, on an automated	
1		Table 1 apply to the exchange	MCIm proposes that a new section x be added to the	basis, to use such CPN to	
į		of all section 251(b)(5) traffic.	agreement. This new section x provides at	classify traffic delivered over	
ļ			subsections x.1 and x.2 that it is intended to	Interconnection Trunks by the	
[x.3.2 Information Access Rates.	implement the ISP Remand Order. Section x	other Party by Traffic Rate type	
į		For the period beginning on	implements the <u>ISP Remand Order</u> by: (1) setting	(e.g., Reciprocal Compensation	
		June 14, 2001 and ending on	out at subsection x.3 the prerequisites Verizon must	Traffic/Measured Internet	
- 1		December 13, 2001, the Party	meet to invoke the new inter-carrier compensation	Traffic, intrastate Switched	
•		delivering ISP-bound Traffic	regime; (2) establishing as subsection x.4 a	Exchange Access Service,	
1		will bill the Party originating	mechanism for calculating the 3:1 ratio of	interstate Switched Exchange	
		this traffic an information	originating to terminating traffic established in the	Access Service, or	
1		access rate of \$.0015 per minute	ISP Remand Order; and (3) codifying at subsection	intrastate/interstate Tandem	
ĺ		of use (MOU). To the extent	x.5 the rate caps established in the ISP Remand	Transit Traffic), such receiving	
ì		that this Agreement remains in	Order. Section x also provides at subsection x.6 a	Party shall bill the originating	
l		effect, beginning on December	reservation of rights permitting either party to void	Party the Traffic Rate	
		14, 2001, and ending on June	section x in the event the ISP Remand Order is	applicable to each relevant	
		13, 2003, the Party delivering	reversed, vacated, or remanded in whole or in part.	minute of traffic for which CPN	
		ISP-bound Traffic will bill the	Including this provision is appropriate because the	is passed. If the receiving Party	
		Party originating this traffic an	ISP Remand Order is being appealed to the D.C.	lacks the capability, on an	
		information access rate of \$.001	Circuit, and all parties should retain their rights in	automated basis, to use CPN	
		per MOU. To the extent that	the event the ISP Remand Order is overturned. (Id.	information on an automated	
ļ		this Agreement remains in	At 41).	basis to classify traffic delivered	
j		effect, beginning on June 14,		by the other Party by Traffic	
ļ		2003, and ending on June 13,	Proposed Section x.1 establishes that the contract	Rate type, the originating Party	
		2004, the Party delivering ISP-	terms are intended to implement the ISP Remand	will supply Traffic Factor 1 and	

 $\underline{\textbf{KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY}}; \textbf{WorldCom} \ (\textbf{bold}); \underline{\textbf{Cox}} \ (\textbf{underline text}); \textbf{AT\&T} \ (\textbf{italic}).$

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		bound Traffic will bill the Party	Order and that the terms used in this section have	Traffic Factor 2. The Traffic	
1 1		originating this traffic an	the same meanings as set forth in the ISP Remand	Factors shall be supplied in	
		information access rate of	Order. (Id. At 41).	writing by the originating Party	
1 1		\$.0007 MOU. The ISP Remand		within thirty (30) days of the	
1 1		Order specifies that, in the	Proposed Section x.2 implements the distinction	Effective Date and shall be	
1		event the FCC does not take	between ISP-bound traffic and section 251(b)(5)	updated in writing by the	
1 1		further action within the final	traffic which the ISP Remand Order establishes. (Id.	originating Party quarterly.	
1		period during which the \$.0007	At 42).	Measurement of billing minutes	
! !		per MOU information access is		for purposes of determining	
1		applicable to ISP-bound	Proposed Section x.3 sets forth the prerequisites	terminating compensation shall	
1 1		Traffic, that period will be	which must be satisfied before Verizon can avail	be in conversation seconds.	
1		extended until the FCC takes	itself of the terms of the ISP Remand Order. The	Measurement of billing minutes	l
1 1		such further action. The	first two terms memorialize conditions set forth in	for originating toll free service	
1 1		Parties agree that the \$.0007	the ISP Remand Order. The third term requires	access code (e.g., 800/888/877)	·
1 1		per MOU information access	Verizon to pay all amounts due for termination of	calls shall be in accordance	
1		rate will continue in effect for	ISP-bound traffic prior to issuance of the ISP	with applicable Tariffs.	
1 1		ISP-bound Traffic beyond June	Remand Order. The Order represents a change in	Determinations as to whether	
1 1		13, 2004, if the FCC fails to take	the law from that which existed prior to its issuance.	traffic is Reciprocal	
1 1		such further action by that	The Order established that reciprocal compensation	Compensation Traffic or	
1 1		date, to the extent this	would no longer be payable on ISP-bound traffic. It	Measured Internet Traffic shall	
1 1		Agreement remains in effect	is clear, therefore, that prior to entry of the Order,	be made in accordance with	
1 1		during such period.	this traffic was subject to the reciprocal	Section 2.3.2.1 below.	
1 1		A TI COM COMPA	compensation provisions of the Act. It is appropriate	1.3 Each Party reserves the	
		x.4. Identification of ISP-bound	that amounts due under the prior regime now be	right to audit all Traffic, up to a	
1 1		Traffic and 251(b)(5) local	paid in full. (Id. At 43).	maximum of two audits per	
		traffic. Traffic that originates on Verizon's network and that	Sections x.3.1 and x.3.2 set forth the rates applicable	calendar year, to ensure that rates are being applied	
1		WorldCom delivers to a MCIm	to section 251(b)(5) traffic and ISP-bound traffic	appropriately; provided,	
1		customer and that is in excess of	consistent with the ISP-Remand Order. (Id. At 44).	however, that either Party shall	
1 1		a ratio of 3:1 of all of the local	consistent with the 151 - Remain Order. (Id. At 44).	have the right to conduct	
1		MOU that originates on	Sections x.4, x.4.1, and x.4.2 set forth procedures for	additional audit(s) if the	
1		MCIm's network for delivery	implementing the 3:1 ratio established in the ISP	preceding audit disclosed	
1 1		by Verizon to Verizon's	Remand Order. The sections establish that	material errors or	
		customers. The Parties further	WorldCom traffic originated over interconnection	discrepancies. Each Party	
		agree that such traffic that	trunks as well as WorldCom traffic which originates	agrees to provide the necessary	
1		MCIm delivers for Verizon	over the UNE-P shall be included in the calculation	Traffic data in conjunction with	
		which is in not in excess of a	of total minutes. There is no difference between	any such audit in a timely	
		ratio of 3:1 of all of the MOU	these types of traffic for compensation purposes and	manner.	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		that Verizon's delivers for	both should be included. WorldCom pays	1.4 Nothing in this	
1		MCIm shall be billed by MCIm	compensation to Verizon for terminating either type	Agreement shall be construed to	
1 1		at the reciprocal compensation	of traffic and similarly WorldCom is entitled to	limit either Party's ability to	
		rates contained in Table 1 to	collect compensation when it terminates calls to its	designate the areas within	
		this Agreement.	customers whether those customers are served by	which that Party's Customers	
] [WorldCom's switches or via the UNE-P. (Id. At 45-	may make calls which that	
] [x.4.1. The Parties agree that (a)	46).	Party rates as "local" in its	
1 1		MOU originated by MCIm over		Customer Tariffs.	
l i		inter-connection trunks	Section x.5 implements the minutes of use cap set		
[]		between MCIm's local switches	forth in the ISP Remand Order. (Id. At 46).	2. Reciprocal	
1		and Verizon's local network,		Compensation Arrangements	
]		and (b) MOU originated by	Section x.6 sets forth the rules which will apply if the	Pursuant to Section 251(b)(5)	
1		MCIm over the Network	ISP Remand Order is modified by judicial or other	of the Act	
i l		Element Platform (UNE-P)	action. Specifically, the section provides that if the	2.1 Reciprocal	
] [leased from Verizon shall be	Order is reversed, vacated, etc., the ISP-bound	Compensation Traffic	
1		included for purposes of the 3:1	traffic shall be deemed 251(b)(5) traffic and that the	Interconnection Points.	
i I		ratio calculation described in	compensation which would have been due for the	[NOTE: SECTION 2.1 TO BE	
		Section x.4.	traffic as section 251(b)(5) traffic shall be due. The	REVISED CONSISTENT	
[section also provides for the prospective exchange of	WITH VERIZON'S	
		x.4.2 The 3:1 ratio will be	such traffic as 251(b)(5) traffic in the event of	COMPROMISE VGRIP	
1		computed by using the billing	judicial or other modification of the ISP Remand	PROVISIONS CONTAINED	1
		Party's recordings of calls	Order.	IN THE PROPOSED AT&T	
l l		originated from and terminating		INTERCONNECTION	
İ		to its customers. When such	These provisions should be included in the	AGREEMENT THAT	
1 1		recordings are unavailable from	Interconnection Agreement because they will set	VERIZON ATTACHED TO THE ANSWER IT FILED	
1		the facilities of the billing Party,	forth the rights of the parties in the event of judicial	WITH THE FCC.	
1	162	call records supplied to the billing Party may be used for the	action modifying the ISP Remand Order. If these terms are not included the result will be a series of	2.1.1 Except as otherwise	
1 1		ratio computation.	inevitably protracted and contentious negotiations	agreed by the Parties, the	
]		rado computation.	to develop a contract amendment to reflect the	Interconnection Points ("IPs")	
l İ		x.5. Demand or Minutes of Use	judicial action. Moreover, these provisions preserve	from which ***CLEC Acronym	
{		Cap. For ISP-bound Traffic	WorldCom's right to section 251 (b)(5) compensation	TXT*** will provide transport	
]		exchanged during the year	in the event the Order is modified. If this term is not	and termination of Reciprocal	
1 1		2001, and to the extent this	included the result will be further protracted and	Compensation Traffic to its	
1		Agreement remains in effect	expensive litigation. The experience of the past few	Customers ("***CLEC	
j		during that year, the	years is replete with examples of Verizon refusing to	Acronym TXT***-IPs") shall	
((information access rates set out	pay amounts due for termination of ISP-bound	be as follows:	
		in Section x.3.2 shall be billed	traffic except when ordered to do so after extensive	2.1.1.1 For each LATA in	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		by MCIm to Verizon on ISP-	litigation. Inclusion of the proposed terms may	which ***CLEC Acronym	
1		bound Traffic for MOU only up	contribute to a more rapid recovery of any	TXT*** requests to	
1		to a ceiling equal to, on an	compensation due and may decrease the incidence of	interconnect with Verizon,	
		annualized basis, the number of	unnecessary and expensive litigation. (Grieco/Ball	except as otherwise agreed by	
Į.		ISP-bound minutes originated	Direct, 7/31, at 47-48).	the Parties, ***CLEC Acronym	
		on Verizon's network and		TXT*** shall establish a	
		delivered by MCIm during the	Because the Commission is acting as the section 252	***CLEC Acronym TXT*** IP	
]		first quarter of 2001, plus a ten	arbitrator in this case, it has a unique opportunity to	in each Verizon Rate Center	i
İ		percent growth factor. For	clarify that state commissions retain authority to	Area where ***CLEC Acronym	
1		ISP-bound Traffic exchanged	implement the ISP Remand Order when exercising	TXT*** chooses to assign	
1		during the year 2002, and to the	their section 252 authority over interconnection	telephone numbers to its	
		extent this Agreement remains	agreements. By doing so early on, the Commission	Customers. ***CLEC Acronym	
1		in effect during that year, the	can avoid administrative confusion as the issue arises	TXT*** shall establish such	
		information access rates set out	in subsequent state commission arbitration	***CLEC Acronym TXT***-IP	
		in Section x.3.2 shall be billed	proceedings, and can avoid incurring the burden of	consistent with the methods of	
		by MCIm to Verizon on ISP-	resolving disputes over the implementation. (Id. At	interconnection and	
- 1		bound Traffic for MOU only up	49).	interconnection trunking	
į		to a ceiling equal to the number		architectures that it will use	
[of ISP-bound minutes	Verizon has proposed contract language to both	pursuant to Section or	
j		originated on Verizon's	MCIm and AT&T that it claims addresses the	Section of this	
1		network and delivered by	implementation issues raised by the ISP Remand	Attachment.	
		MCIm for the year 2001, plus a	Order.	2.1.1.2 At any time that	
ļ		ten percent growth factor. For		***CLEC Acronym TXT***	
Ì		ISP-bound Traffic exchanged	Verizon's proposal contains three main features.	establishes a Collocation site at	
ļ		during the year 2003, and to the	First, it establishes a complicated and inaccurate	a Verizon End Office Wire	
1		extent this Agreement remains	mechanism for estimating inter-carrier compensation	Center in a LATA in which	
		in effect during that year, the	based on Calling Party Number (CPN) information.	***CLEC Acronym TXT*** is	
		information access rates set out	Second, it imposes a requirement that MCIm and	interconnected or requesting	
		in Section x.3.2 shall be billed	AT&T establish a point of interconnection (POI) in	interconnection with Verizon,	
- 1		by MCIm to Verizon on ISP-	every Verizon Rate Center Area in which MCIm and	either Party may request in	
ļ		bound Traffic for MOU only up	AT&T assign numbers to their customers. Third, it	writing that such ***CLEC	
ł		to a ceiling equal to the number	redefines the traffic subject to reciprocal	Acronym TXT*** Collocation	
1		of ISP-bound minutes	compensation. Verizon's proposal does not	site be established as the	
1		terminated by Verizon to	appropriately address the implementation issues	***CLEC Acronym TXT***-IP	
		MCIm for the year 2002.	raised by the ISP Remand Order. (Grieco/Ball	for traffic originated by Verizon	
		a 6 December of Dicks The	Rebuttal, 8/17, at 20).	Customers served by that End	
Ì		x.6 Reservation of Rights. The	Variant's proposed language is defective in the	Office. Upon such request, the	
		terms of Sections x.3, x.3.2,	Verizon's proposed language is defective in two	Parties shall negotiate in good	

 $\underline{\textbf{KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY}}; \textbf{WorldCom} \ (bold); \underline{\textbf{Cox}} \ (underline \ text); \textbf{AT\&T} \ (italic).$

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		Table 1 (rate schedule), x.4,	fundamental respects. First, it fails to address	faith mutually acceptable	
		x.4.x, and x.4.2 may be voided	several of the main implementation issues arising	arrangements for the transition	
1		by either Party, upon written	from the ISP Remand Order. Second, it seeks to	to such ***CLEC Acronym	
i i		notice to the other party, if any	impose requirements on MCIm and AT&T under the	TXT***-IP. If the Parties have	
1 1		legislative, regulatory, or	guise of implementing the ISP Remand Order that	not reached agreement on such	
]]		judicial action, rule, or	are neither necessary nor appropriate to implement	arrangements within thirty (30)	
[]		regulation modifies, reverses,	that Order.	days, (a) either Party may	
}		vacates, or remands the ISP		pursue available dispute	
1 1		Remand Order, in whole or in	Verizon's proposal fail to address the	resolution mechanisms; and,	
1 1		part. If these Sections become	implementation issues arising from the ISP Remand	(b) ***CLEC Acronym TXT***	
1 1		void as provided herein, then:	Order. Verizon's proposal fails to include any	shall bill and Verizon shall pay	
l Í		(a) ISP-bound Traffic shall be	provision expressly requiring, as a prerequisite to	the lesser of the negotiated	
1 1		deemed section 251(b)(5) traffic	invoking the new inter-carrier compensation rates	intercarrier compensation rate	
!		under this Agreement,	for ISP-bound traffic, that Verizon offer to exchange	or the End Office Reciprocal	
		retroactive to the effective date	all traffic subject to reciprocal compensation at the	Compensation rate for the	
{ }		of this Agreement; (b) any	new rate. Such a provision is necessary in light of	relevant traffic less Verizon's	
i i		compensation that would have	the Commission's mandate in the ISP Remand Order	transport rate, tandem	
		been due under this Agreement	that an incumbent must exchange all traffic at the	switching rate (to the extent	
]]		since its effective date for the	new rate in order for the new rates for ISP-bound	traffic is tandem switched), and	
		exchange of ISP-bound Traffic	traffic to apply. (Grieco/Ball Rebuttal, 8/17, at 21).	other costs (to the extent that	
ļ [shall immediately be due and		Verizon purchases such	
1 1		payable; and (c) the Parties	Verizon's proposal also fails to include any provision	transport from ***CLEC	
1 1		shall immediately begin the	expressly implementing the rate and growth caps	Acronym TXT*** or a third	
1 i		exchange of ISP-bound Traffic	established in the <u>ISP Remand Order</u> , or any	party), from the originating	
l l		that was subject to the ISP	provision reserving the parties' rights in the event	Verizon End Office to the	
[Remand Order on the same	the ISP Remand Order is reversed or vacated. (Id.)	receiving ***CLEC Acronym	
		terms, conditions, and rates as		TXT***-IP.	
i		they exchange section 251(b)(5)	Verizon's proposal also seeks to impose requirements	2.1.1.3 In any LATA where	
\$		traffic.	that are neither necessary nor appropriate to	the Parties are already	
1 1			implement the ISP Remand Order.	interconnected prior to the	
		5.7.7 Reciprocal Compensation		effective date of this Agreement,	
l i		for Internet Traffic	First, one of the principal components of Verizon's	***CLEC Acronym TXT***	
		577.0	proposal is the establishment of a complicated	may maintain existing CLEC-	
		5.7.7.1 Scope	mechanism for estimating inter-carrier compensation	IPs, except that Verizon may	
			based on CPN information. (See Verizon's proposed	request in writing to transition	
		(a) This Subsection is intended to	§ 1) Verizon's proposal appears to be aimed at using	such ***CLEC Acronym	
		implement the FCC's Order on	CPN to identify the "appropriate" rate to be paid for	TXT***-IPs to the ***CLEC	
L		Remand and Report and Order in	every call between the parties based on the identity	Acronym TXT***-IPs described	

 $\underline{\textbf{KEY WHERE DISTINCTION AMONG PETITIONERS IS NECESSARY}}; \textbf{WorldCom} \ (\textbf{bold}); \underline{\textbf{Cox}} \ (\textbf{underline text}); \textbf{AT\&T} \ (\textbf{italic}).$

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		CC Docket Nos. 96-98 & 99-68,	of the individual calls.	in subsections 2.1.1.1 and	
		FCC 01-131, released April 27,		2.1.1.2, above. Upon such	
\$ \		2001 ("ISP Order"), for any	Verizon's proposal would require parties to estimate	request, the Parties shall	
1 1		period in which the ISP Order is	how traffic should be classified based on a	negotiate mutually satisfactory	
1 1		effective during the Term of this	complicated new formula aimed at calculating	arrangements for the transition	
]		Agreement. The terms used in this	"traffic types." Verizon's proposal would require	to CLEC-IPs that conform to	
ļ ļ		section shall have the same	MCIm and AT&T to supply these "traffic type"	subsections 2.1.1.1 and 2.1.1.2	
1 1		meaning as those terms are used	estimates every quarter. Verizon's proposal would	above. If the Parties have not	
]		in the ISP Order. Additionally, as	also give each party the right to audit the other	reached agreement on such	
1 1		used in this Agreement, the term	party's traffic twice per year.	arrangements within thirty (30)	
] أ		"Internet Traffic" shall have the		days, (a) either Party may	
[same meaning as the term "ISP-	Verizon's complicated proposal is neither necessary	pursue available dispute	
		bound traffic" is used in the ISP	nor appropriate to implement the ISP Remand	resolution mechanisms; and,	
1		Order.	Order. The ISP Remand Order establishes a	(b) ***CLEC Acronym TXT***	
1 1			presumption that traffic exceeding a 3:1 ratio of	shall bill and Verizon shall pay	
1 1		(b) The Parties agree to pay each	terminating to originating traffic is ISP-bound	only the lesser of the negotiated	
İ İ		other for terminating Internet	traffic. Thus, MCIm has proposed that the parties	intercarrier compensation rate	
{		Traffic and section 251(b)(5)	identify ISP-bound traffic for purposes of	or the End Office reciprocal	
		traffic in accordance with the	implementing the Order by utilizing their billing	compensation rate for relevant	
1		terms and conditions of this	records to calculate the ratio of originating to	traffic, less Verizon's transport	
1		section. For purposes of this	terminating minutes of use (MOU). MCIm's	rate, tandem switching rate (to	
] [section, Internet Traffic and	proposal is far more efficient and less cumbersome	the extent traffic is tandem	
1		section 251(b)(5) traffic shall be	than Verizon's complicated new scheme. MCIm's proposal, unlike Verizon's, is consistent with the	switched), and other costs (to the extent that Verizon	
		identified in accordance with the	Commission's desire to "limit disputes and avoid	purchases such transport from	
		provisions of subsection 5.7.7.3	costly efforts to identify this traffic." ISP Remand	***CLEC Acronym TXT*** or	
!		below.	Order ¶ 79. (Grieco/Ball Rebuttal, 8/17, at 21-22).	a third party), from Verizon's	
1 1			Order 1 75. (Grieco/Bail Rebuttal, 6/17, at 21-22).	originating End Office to the	
		1	Second, Verizon's proposal would require MCIm	***CLEC Acronym TXT*** IP.	
]		[Note: the contract language	and AT&T to establish POIs in "each Verizon Rate	2.1.2 Except as otherwise	
		listed here covers AT&T's	Center Area where [MCIm or AT&T] chooses to	agreed by the Parties, the	
ł l		restated 1.5 as well as 1.5a	assign telephone numbers to its Customers."	Interconnection Points ("IPs")	
ł I		through 1.5e.]	(Verizon's proposal § 2.1.1.1.) Verizon's proposal	from which Verizon will provide	
		Add to section 1:	also would allow Verizon to request that, when	transport and termination of	
1		"ISD bound Traffic" shall barre	MCIm and AT&T establish any collocation site at	Reciprocal Compensation	
l ["ISP-bound Traffic" shall have	any Verizon end office, MCIm and AT&T establish	Traffic to its Customers	
		the same meaning, when used in	that collocation site as a POI for traffic originated by	("Verizon-IPs") shall be as	
		this Agreement, as is used in the	Verizon's customers served by that end office. (Id. §	follows:	
L		FCC's Order on Remand and	(34)	1	l

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		Report and Order in CC Docket	2.1.1.2.)	2.1.2.1 For Reciprocal	
1		Nos. 96-98 & 99-68, FCC 01-		Compensation Traffic delivered	
1		131, released April 27, 2001 (ISP	Verizon's proposal to require MCIm and AT&T to	by ***CLEC Acronym TXT***	
1 1		Remand Order).	establish POIs in each of Verizon's rate center areas	to the Verizon Tandem	
1		,	is an unnecessary and inappropriate attempt to use	subtended by the terminating	
		Add to section 5:	implementation of the ISP Remand Order to advance	End Office serving the Verizon	
			Verizon's position regarding multiple POIs. That is	Customer, the Verizon-IP will	
1 1		1. This section is	a separate issue in this proceeding. As demonstrated	be the Verizon Tandem switch.	
1		intended to implement the ISP	previously, MCIm and AT&T are not required to	2.1.2.2 For Reciprocal	
1		Remand Order for any period in	establish multiple points of interconnection in each	Compensation Traffic delivered	
1		which the ISP Remand Order is	LATA, as Verizon's proposal would have them do.	by ***CLEC Acronym TXT***	
		effective during the Term of this	(Grieco/Ball Rebuttal, 8/17, at 22-23).	to the Verizon terminating End	
1 1		Agreement. The Parties agree to		Office serving the Verizon	
1		compensate each other for	Third, Verizon's proposal attempts to redefine the	Customer, the Verizon-IP will	
1 1		delivering ISP-bound traffic and	traffic that is subject to reciprocal compensation, and	be Verizon End Office switch.	
1		section 251(b)(5) traffic in	specifically exempts several categories of traffic from	2.1.3 Should either Party	
1 1		accordance with the terms and	reciprocal compensation obligations. (Verizon's	offer additional IPs to any	
]		conditions of this section and	proposal §§ 2.3, 3.13.) The Commission amended its	Telecommunications Carrier	
1		section 5.7. For purposes of this	regulations in the ISP Remand Order to define the	that is not a Party to this	
<u> </u>		section, ISP-bound traffic and	traffic that is and is not subject to reciprocal	Agreement, the other Party may	
1 1		section 251(b)(5) Local Traffic	compensation under section 251(b)(5). Thus,	elect to deliver traffic to such	
1 1		shall be identified in accordance	Verizon's proposed redefinition in the Agreement is	IPs for the NXXs or	
1		with the provisions of section 2	neither necessary nor appropriate to implement the	functionalities served by those	
1		below.	ISP Remand Order. (Id.)	IPs. To the extent that any such	
				CLEC Acronym TXT-IP	
1		2. Compensation for	POSITION:	is not located at a Collocation	
1 1		ISP-bound Traffic		site at a Verizon Tandem Wire	
1 1		2.1. All Local Traffic that is	• Cox's Petition addressed Issue I-5 as it existed prior to	Center or Verizon End Office	
1		terminated by one Party for the	the release of the FCC's ISP-Bound Traffic Order on	Wire Center, then ***CLEC	
1		other Party pursuant to this	<u>April 27, 2001.</u>	Acronym TXT*** shall permit	
		Agreement within any calendar		Verizon to establish physical	
1		quarter in excess of an amount	• On June 27, 2001, Verizon filed a Motion to Dismiss	Interconnection through	
1		(measured by total minutes of	Issue I-5, alleging that it had been resolved by the ISP-	collocation or other	
1		use) that is three times the traffic	Bound Traffic Order. On July 9, 2001, Cox filed an	operationally comparable	
]]		that is terminated by the other	Opposition, asserting that issues relating to Issue I-5	arrangements acceptable to	
		Party pursuant to this Agreement	remained for resolution by the FCC. By its letter dated	Verizon at the ***CLEC	
1		shall be conclusively defined as	July 11, 2001, the FCC directed the parties to attempt to	Acronym TXT***-IP.	
		ISP-bound Traffic. All other	resolve these issues and thereafter to provide the FCC	2.1.4 Each Party is	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		Local Traffic that is exchanged	with statements of the issues requiring resolution.	responsible for delivering its	
		between the Parties shall be		Reciprocal Compensation	
1 1		conclusively defined as any call	• On July 19, 2001, Cox provided the FCC with a re-	Traffic that is to be terminated	
1		that would be considered a local	statement of Issue I-5 and discussed the subsidiary,	by the other Party to the other	
1 1		call ("Voice Traffic").	implementation issues that would remain for resolution	Party's relevant IP.	
			if continuing negotiations with Verizon were unable to	2.2 Reciprocal	
1 1		2.2. All Voice Traffic and all	resolve them.	Compensation.	
1		ISP-bound Traffic that is		The Parties shall compensate	
		exchanged pursuant to this	• The parties filed a revised JDPL on July 27, 2001,	each other for the transport and	
		Agreement shall be compensated	which included the language being proposed by the	termination of Reciprocal	
1 1		as follows:	parties for resolving restated Issue I-5 and their positions	Compensation Traffic delivered	
			regarding the proposed language.	to the terminating Party in	
1 1		2.2.1. All Voice Traffic that is		accordance with Section	
1		exchanged pursuant to this	• On August 7, 2001, Cox filed a Motion to Strike	251(b)(5) of the Act at the rates	
l i		Agreement shall be compensated	Untimely Raised Issues Related to Issue I-5, pointing out	stated in the [Pricing	
1 1		pursuant to Exhibit A.	that Verizon had wrongly attempted to raise two new	Attachment]. These rates are to	
1			issues relating to Issue I-5. Cox asserted that this	be applied at the ***CLEC	
1 [2.2.2. All ISP-bound Traffic that	attempt came too late in the proceeding and that the	Acronym TXT***-IP for traffic	
ļ l		is exchanged pursuant to this	issues were unrelated to the implementation of the ISP-	delivered by Verizon for	
		Agreement shall be compensated	Bound Traffic Order. Verizon responded to Cox's	termination by ***CLEC	
1 1		as follows:	motion on August 14, 2001.	Acronym TXT***, and at the	
]]				Verizon-IP for traffic delivered	
1		(a) Commencing on the	• By letter dated August 17, 2001, the FCC granted	by ***CLEC Acronym TXT***	
]		effective date of this Agreement	Cox's motion to strike with respect to the definition and	for termination by Verizon. Except as expressly specified in	
1		and continuing until December	usage of the term "Internet Traffic" "to the extent that	this Agreement, no additional	
1		13, 2001, \$.0015 per minute of	the proposed definition seeks to introduce an issue	charges shall apply for the	
[use.	beyond the implementation of the Commission's recent	termination from the IP to the	
1 1			order governing intercarrier compensation for ISP-	Customer of Reciprocal	
1 1		(b) Commencing on	bound traffic." Further, the FCC said: "As Cox and the	Compensation Traffic delivered	•
		December 14, 2001 and	other petitioners framed issue I-5, it dealt only with	to the Verizon-IP by ***CLEC	
		continuing until June 13, 2003,	payment of reciprocal compensation for ISP-bound	Acronym TXT*** or the	
		\$.0010 per minute of use.	traffic. To the extent that Verizon sought, in the July 27	***CLEC Acronym TXT***-IP	
			JDPL, to broaden the scope of the issue that Cox	by Verizon. When such	
1		(c) Commencing on June	submitted for arbitration, its request is untimely, coming	Reciprocal Compensation	
		14, 2003, \$.0007 per minute of	only four days before the due date for direct testimony	Traffic is delivered over the	
		use. To the extent that the FCC	and well into the discovery phase of this proceeding."	same trunks as Toll Traffic, any	
]]		has not taken further action with		port or transport or other	
L		<u> </u>	• Cox has no knowledge of any attempt to date by	port or transport or other	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		respect to inter-carrier	Verizon to implement the FCC's August 17 th ruling by	applicable access charges	
		compensation for ISP-bound	altering its proposed definition and usage of "Internet	related to the delivery of Toll	
		Traffic by June 14, 2004 and this	Traffic." Cox has requested that Verizon modify its	Traffic from the IP to an end	
		Agreement remains in effect after	proposed language to implement the FCC's ruling and, in	user shall be prorated to be	
1 1		June 14, 2004, the Parties agree	response, Verizon has stated that it "see[s] no reason to	applied only to the Toll Traffic.	
		that the rate of \$.0007 per minute	revise the language that [it] proposed in the [July 27th]	The designation of traffic as	
		of use for ISP-bound Traffic shall	JDPL." Accordingly, under subissue I-5-e below, Cox	Reciprocal Compensation	
ŀ		remain applicable for such	provides its position on the unaltered language proposed	Traffic for purposes of	
]		period.	by Verizon.	Reciprocal Compensation shall	
		1		be based on the actual	
[(d) No charges shall apply	 Regarding Verizon's proposed unilateral audit right, 	originating and terminating	
		to the carriage (including	the FCC's August 17th letter held that the subject of	points of the complete end-to-	
		transport and termination) of	audits is within the scope of the ISP-Bound Traffic	end communication.	
]		Voice Traffic and ISP-bound	Order's implementation. However, the FCC pointed out	2.3 Traffic Not Subject to	
1		Traffic by either Party for the	that it expressed "no opinion on which party's proposed	Reciprocal Compensation.	İ
		other Party except as set forth	language better implements the ISP Intercarrier	2.3.1 Reciprocal	
1 1		above.	Compensation Order or which language may ultimately	Compensation shall not apply to	
l l			prevail in this proceeding." Under subissue I-5-c	interstate or intrastate	
1		2.2.3. The rates described in	below, Cox explains why the unilateral audit right	Exchange Access, Information	
		Section 2.2.2. above shall apply	language proposed by Verizon fails to implement the	Access, or exchange services for	
		only if: (a) Verizon requests that	FCC's order on intercarrier compensation for ISP-bound	Exchange Access or	
1		ISP-bound Traffic be treated at	traffic.	Information Access.	
1		the rates specified in the ISP		2.3.2 Reciprocal	
		Remand Order; (b) Verizon offers	Specific terms and conditions regarding the treatment	Compensation shall not apply to	
1		to exchange all traffic subject to	of ISP-bound traffic must not be excluded from the	Internet Traffic.	
		the reciprocal compensation	Agreement. Collins Direct Testimony at 21.	2.3.2.1 The determination of	
	71	provisions of section 251(b)(5)		whether traffic is Reciprocal	
		with LECs, CLECs, and CMRS	To avoid protracted controversy over the	Compensation Traffic or	
1		providers at these rates; and (c)	implementation of the FCC's ISP Order, the Agreement	Internet Traffic shall be performed in accordance with	
		Verizon has paid all past due	must contain requisite rates, terms and conditions with	1 4 5	
		amounts owed to AT&T for the	sufficient specificity to guide the parties' activities.	Paragraphs 8 and 79, and other	
l l		delivery of ISP-bound Traffic	Collins Direct Testimony at 23.	applicable provisions, of the FCC Internet Order (including,	
		prior to June 14, 2001. If Verizon	Commo Ducce resumony at 25.	but not limited to, in	
		does not comply with these		accordance with the rebuttable	
		conditions, then the rate for the	• Each party's new language should be crafted only to	presumption established by the	
		delivery of ISP-bound Traffic	implement the ISP Order and not to introduce new issues	FCC Internet Order that traffic	
1		shall be the rate for the delivery	or controversies to this proceeding. Collins Direct	delivered to a carrier that	
L			Testimony at 23; Collins Rebuttal Testimony at 24-31.	uenvereu io a carrier inal	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		of Voice Traffic.		exceeds a 3:1 ratio of	
Ì			On April 27, 2001, the Commission released its ISP	terminating to originating	
1		2.3. The ability of either Party to	Remand Order asserting its jurisdictional authority over	traffic is Internet Traffic, and in	
		receive compensation for ISP-	traffic delivered to Internet Service Providers ("ISPs")	accordance with the process	
į		bound Traffic shall be limited as	and establishing a three-year interim, transitional	established by the FCC Internet	
		follows based on "growth caps"	intercarrier compensation scheme for such traffic. In	Order for rebutting such	
i		on compensation for ISP-bound	the Matter of Intercarrier Compensation for ISP-Bound	presumption before the	
		Traffic consistent with the ISP	Traffic, Order on Remand, FCC 01-131 (April 27,	Commission).	
I		Remand Order. The Parties shall	2001). Although this decision, at least temporarily,	2.3.3 Reciprocal	
į		first determine the total number of	resolves the original issue raised by AT&T in this	Compensation shall not apply to	
1		minutes of use of ISP-bound	arbitration ("Should AT&T receive reciprocal	Toll Traffic, including, but not	
ĺ		Traffic (as defined in Section 2.1	compensation for terminating traffic from Verizon end	limited to, calls originated on a	
}		above) terminated by one Party	users to AT&T customers who are internet service	1+ presubscription basis, or on	
Ì		for the other Party for the three-	providers"), the Commission's order left unanswered a	a casual dialed	
		month period commencing	number of critical implementation issues concerning the	(10XXX/101XXXX) basis.	
Ì		January 1, 2001 and ending	three-year transitional intercarrier compensation	2.3.4 Reciprocal	
		March 31, 2001. The Parties	mechanism. AT&T's proposed contract language	Compensation shall not apply to	
1		shall then multiply this number of	provides a framework for addressing these complex	Optional Extended Local	
		minutes by 4.4, and the resulting	issues in an expeditious manner. Among other things,	Calling Area Traffic.	
l		product shall be the terminating	AT&T proposes mechanisms for calculating the amount	2.3.5 Reciprocal	
ì		Party's "2001 ISP-bound	of ISP-bound traffic under the Commission's 3:1 ratio;	Compensation shall not apply to	
		Annualized Traffic Cap." The	determining appropriate growth caps and rate caps;	special access, private line, or any other traffic that is not	
I		total number of minutes of use of	implementing any Verizon offer to offer exchange all	switched by the terminating	
		ISP-bound Traffic for which one	traffic subject to section 251(b)(5) at the rate mandated	Party.	
		Party may receive compensation	by the FCC for terminating ISP-bound traffic; and	2.3.6 Reciprocal	
1		from the other Party during the	adopting changes resulting from successful legal	Compensation shall not apply to	
1		period July 1, 2001 through	appeals of the ISP Remand Order. See generally,	Tandem Transit Traffic.	
		December 31, 2001 shall equal	Direct Testimony of Robert J. Kirchberger, Exhibit A.	2.3.7 Reciprocal	
1		50% of that Party's 2001 ISP-	ALL LY: LIE	Compensation shall not apply to	
		bound Annualized Traffic Cap.	Although Verizon would like to portray the ISP Remand	Voice Information Service	
		The total number of minutes of	Order as simple and self-executing, in reality, the	Traffic (as defined in Section	
		use of ISP-bound Traffic for	decision requires carriers to make a series of complex	[?]).	
		which one Party may receive	calculations to determine what traffic is eligible for	2.4 The Reciprocal	
		compensation from the other	reciprocal compensation as well as what rates should be	Compensation charges	
		Party during the period January	applied. Vague and ambiguous implementation	(including, but not limited to,	
ļ		1, 2002 through December 31,	language would give Verizon unfettered latitude in	the Reciprocal Compensation	
j		2002 or for any calendar year	interpreting the ISP Remand Order. As a result, it	per minute of use charges)	
		thereafter shall equal 1.1 times	would be more difficult – and more expensive – for	Post minute of the cital ges)	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		that Party's 2001 ISP-bound	CLECs to be fairly compensated for terminating Verizon	billed by ***CLEC Acronym	
1		Annualized Traffic Cap. Neither	traffic. A clear roadmap, on the other hand,	TXT*** to Verizon shall not	
ì		Party may refuse to pay	governing implementation provided upfront will allow	exceed the Reciprocal	
		compensation for ISP-bound	AT&T and Verizon to avoid unnecessary and costly	Compensation charges	
Į.		Traffic to the other Party based	disputes. Rebuttal Testimony of Robert J. Kirchberger at	(including, but not limited to,	
		on the application of the	3-4.	Reciprocal Compensation per	
		foregoing "growth caps" until the		minute of use charges) billed by	
1		aggregate amount of ISP-bound	In most instances, Verizon's proposed language simply	Verizon to ***CLEC Acronym	
1		Traffic billed by the other Party	fails to provide sufficient detail concerning	<i>TXT</i> ***.	
		for a specific calendar year	implementation. For example, Verizon did not specify		
ł		exceeds the applicable maximum	the rate levels that would apply to ISP-bound traffic or	3. Other Types of Traffic	
1		number of minutes of use of ISP-	even the timeframe under which those rates would	3.1 Notwithstanding any	
-		bound Traffic that may be	apply. Therefore, one could not even determine the	other provision of this	
ĺ		compensated pursuant to this	termination rate for ISP-bound traffic by reading this	Agreement or any Tariff: (a)	
		Section 2.3 for the entire year	portion of the Verizon proposed contract. In another	the Parties' rights and	
ĺ		(beginning in calendar year	instance, Verizon fails to describe precisely how the	obligations with respect to any	
		2002) or applicable portion	parties would identify which traffic exceeds the 3:1 ratio	intercarrier compensation that	
ļ		thereof (for calendar year 2001).	and how to calculate the "growth caps" ordered by the	may be due in connection with	
			Commission. By way of further example, Verizon did	their exchange of Internet	
		· ·	not include language that would constitute an	Traffic shall be governed by the	
İ		}	unequivocal offer to satisfy the Commission's condition	terms of the FCC Internet	
		2.4. The Party's shall bill each	that "the rate caps for ISP-bound traffic that we adopt	Order and other applicable	
1		other for Voice Traffic and ISP-	here apply therefore only if an incumbent LEC offers to	FCC orders and FCC	
		bound Traffic each month on the	exchange all traffic subject to section 251(b)(5) at the	Regulations; and, (b) a Party	
		following basis:	same rate." ISP Remand Order, ¶89 (emphasis in	shall not be obligated to pay any intercarrier compensation for	
}		1	original). In contrast, AT&T's proposed contract	Internet Traffic that is in excess	
į		2.4.1. For the period	language addresses in a detailed and comprehensive	of the intercarrier	
		commencing on the effective date	fashion, the implementation issues to be resolved by the	compensation for Internet	
		of this Agreement and continuing	Commission. Rebuttal Testimony of Robert J.	Traffic that such Party is	
		through September 30, 2001,	Kirchberger at 4.	required to pay under the FCC	
į		each Party shall bill the other		Internet Order and other	
I		Party for Voice Traffic and ISP-	AT&T also proposes that before Verizon may enjoy the	applicable FCC orders and	
İ		bound Traffic based on the	benefits of the new reciprocal compensation rate	FCC Regulations.	
1		relative percentage of minutes of	structure, it must pay "all past due amounts owed	3.2 Subject to Section 3.1	
		use of total combined Voice	AT&T for the delivery of ISP-bound traffic prior to June	above, interstate and intrastate	
		Traffic and ISP-bound Traffic	14, 2001." Verizon simply should not be able to	Exchange Access, Information	
		represented by each type of traffic	refuse unilaterally to pay reciprocal compensation for	Access, exchange services for	
		during the two-month period	Con (hold): Con (underline tout): ATLT (italia)		

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		ending on May 31, 2001. For	over two years - during which time it enjoyed a windfall	Exchange Access or	
1 1		example, if Verizon terminated	(i.e., paying zero compensation for what it considers	Information Access, and Toll	
1		100 minutes for AT&T during the	ISP-bound traffic) - and then immediately enter into a	Traffic, shall be governed by	
1 1		two-month period ending on May	much more favorable rate scheme. AT&T merely seeks	the applicable provisions of this	
1 1		31 and AT&T terminated 500	fair treatment - payment of what Verizon owes - before	Agreement and applicable	
1 1		minutes for Verizon during that	Verizon takes advantage of the new rate structure. Id.	Tariffs.	
1		period, the proportion of traffic	at 5.	3.3 For any traffic	
}		terminated by AT&T would be		originating with a third party	
1 1		60% Voice Traffic [(3 x 100)/	Finally, AT&T proposes specific language that would	carrier and delivered by	
1 1		500] and 40% ISP-bound Traffic	provide for a expeditious true-up if reciprocal	***CLEC Acronym TXT*** to	
]]		[(500 - (3 x 100)) / 500], and for	compensation rates are changed as a result of a stay,	Verizon, ***CLEC Acronym	
1		the period through September 30,	reversal or modification of the ISP Remand Order by	TXT*** shall pay Verizon the	
, [2001, AT&T would bill 60% of its	the United States Court of Appeals for the District of	same amount that such third	
1		total minutes of use billed for	Columbia Circuit. AT&T Proposed Contract, ¶ 2.5.	party carrier would have been	
1		each month (or portion thereof) at	This contract provision recognizes that the parties have	obligated to pay Verizon for	
1		the rate applicable to Voice	entered into this agreement vigorously disputing the	termination of that traffic at the	
į į		Traffic and 40% of its total	conclusions developed in the ISP Remand Order and	location the traffic is delivered	
		minutes of use at the rate	that the parties should be made whole in the wake of	to Verizon by ***CLEC Acronym TXT***.	
1		applicable to ISP-bound Traffic.	any substantial modification of that decision by the DC	3.4 Any traffic not	
] [1	Circuit. Rebuttal Testimony of Robert J. Kirchberger at	specifically addressed in this	
1		2.4.2. For each calendar quarter	5.	Agreement shall be treated as	
		commencing with the fourth		required by the applicable	
1 1		quarter of 2001, each Party shall		Tariff of the Party transporting	
l i		bill the other Party for Voice		and/or terminating the traffic.	
1		Traffic and ISP-bound Traffic		3.5 Interconnection Points.	
1 1		based on the relative percentage of minutes of use of total		3.5.1 The IP of a Party	
 		combined Voice Traffic and ISP-		("Receiving Party") for	
[[bound Traffic represented by		Measured Internet Traffic	
		each type of traffic during the		delivered to the Receiving Party	
1		first two months of the		by the other Party shall be the	
1		immediately preceding calendar		same as the IP of the Receiving	
		quarter. For example, if Verizon		Party for Reciprocal	
1 1		terminated 100 minutes for AT&T		Compensation Traffic under	
]]		during the period July 1, 2001		Section 2.1 above.	
		through August 31, 2001, and		3.5.2 Except as otherwise set	
1		AT&T terminated 500 minutes for		forth in the applicable Tariff of	
		Verizon during that period, the		a Party ("Receiving Party") that	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		proportion of traffic terminated		receives Toll Traffic from the	
)]		by AT&T would be 60% Voice		other Party, the IP of the	
1 1		Traffic [(3 x 100) / 500] and 40%		Receiving Party for Toll Traffic	
1 1		ISP-bound Traffic [(500 – (3 x		delivered to the Receiving Party	
1 1		100)) / 500], and for the period		by the other Party shall be the	
i !		October 1, 2001 through		same as the IP of the Receiving	
1 1		December 31, 2001, AT&T would		Party for Reciprocal	
1 1		bill 60% of its total minutes of use		Compensation Traffic under	
l Í		billed for each month (or portion		Section 2.1 above.	
1		thereof) at the rate applicable to		3.5.3 The IP for traffic	
l		Voice Traffic and 40% of its total		exchanged between the Parties	
, (minutes of use at the rate		that is not Reciprocal	
1 1		applicable to ISP-bound Traffic.		Compensation Traffic,	
				Measured Internet Traffic or	
		2.4.3. Verizon will calculate the		Toll Traffic, shall be as	
1 1		factors to be used for the relative		specified in the applicable	
}		percentage of minutes of use of		provisions of this Agreement or	
l l		total combined Voice Traffic and		the applicable Tariff of the	
1 1		ISP-bound Traffic represented by		receiving Party, or in the	
l l		each type of traffic during periods		absence of applicable provisions	
1 1		referred to in Sections 2.4.1 and		in this Agreement or a Tariff of	
[2.4.2 above, and Verizon will		the receiving Party, as mutually	
1		notify AT&T of such factors in		agreed by the Parties.	
		writing by no later than the first			
1		day of the period during which		3.6 Extended Local	
j		such factors will be used. Such			
1		factors will govern all billing		Calling Scope Arrangement. An arrangement that provides a	
1		during the applicable period, and		Customer a local calling scope	
1		the Parties will not true up any		(Extended Area Service,	
		billing for prior periods based on		"EAS"), outside of the	
1		actual balance of traffic during		Customer's basic exchange	
		such period. However, AT&T		serving area. Extended Local	
1 1		may audit Verizon's factors as		Calling Scope Arrangements	
		provided in Section 2.5 below,		may be either optional or non-	
{		and the Parties will true up		optional. "Optional Extended	
		billing for any period to the extent		Local Calling Scope	
		the factors applicable to such		Arrangement Traffic" is traffic	
		period were incorrectly		Arrangement Trajjic is trajjic	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		calculated.		that under an optional	
1				Extended Local Calling Scope	
l		2.4.4. If a Party is terminating		Arrangement chosen by the	
i		both Voice Traffic and ISP-bound		Customer terminates outside of	
-		Traffic for the other Party, that		the Customer's basic exchange	
		Party may bill all such traffic at a		serving area.	
İ		blended rate based on the		3.7 FCC Internet Order.	
1		weighted average of the rates		Order on Remand and Report	
-		applicable to Voice Traffic and		and Order, In the Matter of	
ļ		the rates applicable to ISP-bound		Implementation of the Local	
İ		Traffic, using the factors specified		Competition Provisions in the	
		in Section 2.4.3 above. In the		Telecommunications Act of	
		event that AT&T is delivering		1996, Intercarrier	
		both Voice Traffic and ISP-bound		Compensation for ISP Bound	
		Traffic to Verizon, and Verizon		Traffic, FCC 01-131, CC	
1		does not provide factors to AT&T,		Docket Nos. 96-98 and 99-68,	
İ		including minute counts used to		adopted April 18, 2001.	
		determine what portion of		3.8 FCC Regulations.	
ì		AT&T's traffic constitutes "Voice		The unstayed, effective	
		Traffic" and what traffic		regulations promulgated by the	
		constitutes "ISP-bound Traffic,"		FCC, as amended from time to	
		by the first day of the period		time.	
1		during which such factors will be		3.9 Internet Traffic.	
		used, AT&T shall bill Verizon for		Any traffic that is transmitted to	
1		all traffic during such period at		or returned from the Internet at	
1		the rate applicable to Voice		any point during the duration of	
		Traffic.		the transmission.	
1		"		3.10 IP (Interconnection	
		2.4.5. AT&T shall have the right		Point).	
		to audit factors provided by		For Reciprocal Compensation	
		Verizon pursuant to Section 2.4.3		Traffic, the point at which a	
İ		above and Verizon bills relating		Party who receives Reciprocal	
		to settlements pursuant to this		Compensation Traffic from the	
		Section, as specified in Section		other Party assesses Reciprocal	
		28.10 (Audits), including the right		Compensation charges for the	
		to audit the number of minutes of		further transport and	
ļ		use terminated by Verizon for		termination of that Reciprocal	
		AT&T during any period to the		Compensation Traffic.	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
1		extent such information may		3.11 Measured Internet	
		affect the volume of traffic that is		Traffic.	
		considered to be Voice Traffic or		Dial-up, switched Internet	
		ISP-bound Traffic under this		Traffic originated by a	
Ì		Agreement. Each Party shall		Customer of one Party on that	
		bear its own expenses associated		Party's network at a point in a	
		with such audits (provided,		Verizon local calling area, and	
- 1		however, that AT&T may seek		delivered to a Customer or an	
ĺ		reimbursement from Verizon in		Internet Service Provider served	
		the event that an audit finds that		by the other Party, on that other	
1		an adjustment should be made in		Party's network at a point in the	
ì		the charges that AT&T is entitled		same Verizon local calling area.	
		to collect from Verizon for		Verizon local calling areas shall	
		reciprocal compensation by an		be as defined in Verizon's	
į		amount that is greater than two		applicable tariffs. For the	
i		percent (2%) of the aggregate		purposes of this definition, a	
		charges for reciprocal		Verizon local calling area	
		compensation that had been		includes a Verizon non-optional	
ì		billed in the audited period).		Extended Local Calling Scope	
		• · · · · · · · · · · · · · · · · · ·		Arrangement, but does not	
1		2.5. The Parties have entered		include a Verizon optional	
ļ		into this Agreement providing for		Extended Local Calling Scope	
		differential compensation of		Arrangement. Calls originated	
		Voice Traffic and ISP-bound		on a 1+ presubscription basis,	
		Traffic based on the ISP Remand		or on a casual dialed	
i		Order, which is on appeal to the		(10XXX/101XXXX) basis, are	
		United States Circuit Court of		not considered Measured	
	W.	Appeals for the District of		Internet Traffic.	
1		Columbia Circuit. Without		3.12 Reciprocal	
		waiving any of their rights to		Compensation.	
		assert and pursue their positions		The arrangement for	
1		on issues related to compensation		recovering, in accordance with	
1		for Voice Traffic and ISP-bound		Section 251(b)(5) of the Act, the	
1		Traffic, each Party agrees that		FCC Internet Order, and other	
		until the ISP Remand Order is		applicable FCC orders and	
1		stayed or reversed or modified on		FCC Regulations, costs	
1		1 1		incurred for the transport and	
İ		appeal, the Parties shall		termination of Reciprocal	
		exchange and compensate each		Termination of Reciprocal	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
		other for Voice Traffic and ISP-		Compensation Traffic	
1		bound Traffic on the terms and		originating on one Party's	
		conditions provided herein. At		network and terminating on the	
		such time as the ISP Remand		other Party's network (as set	
1 1		Order is stayed, reversed or		forth in Section [?]).	
1 1		modified, then (1) ISP-bound		3.13 Reciprocal	
1 1		traffic shall be deemed Local		Compensation Traffic.	
1 1		Traffic retroactive to the effective		Telecommunications traffic	
		date of this Agreement; (2) any		originated by a Customer of one	
1		compensation that would have		Party on that Party's network	
1 1		been due under this Agreement		and terminated to a Customer	
]		since its effective date for the		of the other Party on that other	
1 1		exchange of ISP-bound traffic		Party's network, except for	
1 1		shall immediately be due and		Telecommunications traffic that	
\ \ \		payable; and (3) the Parties shall		is interstate or intrastate	
1 !		immediately begin the exchange		Exchange Access, Information	
		of ISP-bound traffic that was		Access, or exchange services for	
[subject to the ISP Remand Order		Exchange Access or	
]]		on the same terms, conditions,		Information Access. The	
l 1		and rates as they exchange		determination of whether	
		section 251(b)(5) traffic.		Telecommunications traffic is	
, ,				Exchange Access or	
				Information Access shall be	
				based upon Verizon's local	
				calling areas as defined in	
ì				Verizon's applicable tariffs.	
				Reciprocal Compensation	
				Traffic does not include: (1)	
				any Internet Traffic; (2) traffic	
1				that does not originate and	
				terminate within the same	
				Verizon local calling area as	
1				defined in Verizon's applicable	
				tariffs; (3) Toll Traffic,	
				including, but not limited to,	
1				calls originated on a 1+	
				presubscription basis, or on a	
L				casual dialed	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
				(10XXX/101XXXX) basis; (4)	
1 1				Optional Extended Local	
1				Calling Arrangement Traffic;	
1				(5) special access, private line,	
1 1		1		Frame Relay, ATM, or any	
1				other traffic that is not switched	
				by the terminating Party; (6)	
1 1				Tandem Transit Traffic; or, (7)	
1 1				Voice Information Service	
1 1				Traffic (as defined in Section 5	
[of the Additional Services	
1				Attachment). For the purposes	
1				of this definition, a Verizon	
1		1		local calling area includes a	
1 1				Verizon non-optional Extended	
l I				Local Calling Scope	
1				Arrangement, but does not	
.				include a Verizon optional	
1				Extended Local Calling Scope	
				Arrangement.	
<u> </u>				3.14 Toll Traffic.	
(l				Traffic that is originated by a	
1				Customer of one Party on that	
				Party's network and terminates	
†				to a Customer of the other Party	
\ \ \				on that other Party's network	
				and is not Reciprocal	
ł				Compensation Traffic,	
(l				Measured Internet Traffic, or	
]				Ancillary Traffic. Toll Traffic	
				may be either "IntraLATA Toll	
				Traffic" or "InterLATA Toll	
1				Traffic", depending on whether	
				the originating and terminating	
				points are within the same	
				LATA.	
				3.15 Traffic Factor 1.	
LL				For traffic exchange via	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
				Interconnection Trunks, a	
				percentage calculated by	
1				dividing the number of minutes	
1				of interstate traffic (excluding	
1				Measured Internet Traffic) by	
1				the total number of minutes of	
1				interstate and intrastate traffic.	
1 1		1		([Interstate Traffic Total	
1				Minutes of Use {excluding	
				Measured Internet Traffic Total	
1				Minutes of Use} ÷ {Interstate	
				Traffic Total Minutes of Use +	
1 1				Intrastate Traffic Total Minutes	
				of Use}] x 100). Until the form	
i i				of a Party's bills is updated to	
))				use the term "Traffic Factor 1,"	
1				the term "Traffic Factor 1"	
1 1				may be referred to on the	
				Party's bills and in billing	
				related communications as	
1 1		1		"Percent Interstate Usage" or	
				"PIU."	
				3.16 Traffic Factor 2.	
ì		1		For traffic exchanged via	
		1		Interconnection Trunks, a	
1		į į		percentage calculated by	
				dividing the combined total	
				number of minutes of	
1				Reciprocal Compensation	
				Traffic and Measured Internet	
1 1				Traffic by the total number of	
				minutes of intrastate traffic.	
				([{Reciprocal Compensation	
}		\		Traffic Total Minutes of Use + Measured Internet Traffic Total	
				Minutes of Use} ÷ Intrastate	
1				Traffic Total Minutes of Use] x	
L				100). Until the form of a	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
				Party's bills is updated to use the term "Traffic Factor 2," the term "Traffic Factor 2" may be referred to on the Party's bills and in billing related communications as "Percent Local Usage" or "PLU."	
				To Cox: 1.25a "Extended Local Calling Scope Arrangement"	
				means an arrangement that provides a Customer a local calling scope (Extended Area Service, "EAS"), outside of the Customer's basic exchange serving area. Extended Local	
				Calling Scope Arrangements may be either optional or non- optional. "Optional Extended Local Calling Scope Arrangement Traffic" is traffic that under an optional	
				Extended Local Calling Scope Arrangement chosen by the Customer terminates outside of the Customer's basic exchange serving area.	
				1.26 "FCC" means the Federal Communications Commission. 1.26a "FCC Internet Order"	
				means the FCC's Order on Remand and Report and	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
NO.	Statement of Issue	Language	reutioners' Rationale	Order, In the Matter of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Intercarrier Compensation for ISP Bound Traffic, FCC 01-131, CC Docket Nos. 96-98 and 99-68 (adopted April 18, 2001). 1.29a "Information Access" means the provision of	verizon Kationaie
				specialized exchange telecommunications services in connection with the origination, termination, transmission, switching, forwarding or routing of telecommunications traffic to or from the facilities of a provider of information services.	
				1.36 "Internet Traffic" means any traffic that is transmitted to or returned from the Internet at any point during the duration of the transmission."	
				1.41a "Measured Internet Traffic" means dial-up, switched Internet Traffic originated by a Customer of one Party on that Party's network at a point in a Verizon local calling area, and delivered to a Customer or an Internet Service Provider served by the other Party, on that other Party's network at a point in the same Verizon local calling area.	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
				Verizon local calling areas shall	
1		1		be as defined in Verizon's	
-	1			effective Customer Tariffs	
1		1		(including, but not limited to, to	
1	l			the extent applicable, Verizon	
1				Tariffs S.C.CVaNos. 201 and	
1	1			202). For the purposes of this	
]				definition, a Verizon local	
i	1			calling area includes a non-	
1	İ	1		optional Extended Local Calling	
i i	1	<u> </u>		Scope Arrangement, but does not	
j '	1			include an optional Extended	
1				Local Calling Scope	
1	l			Arrangement. Calls originated	
İ				on a 1+ presubscription basis, or on a casual dialed	
1	1			on a casual dialed (10XXX/101XXXX) basis, are	
	i			not considered Measured	
1		1		Internet Traffic.	
	i			internet Trame.	
1				1.60 "Reciprocal	
1	İ			Compensation" means the	
1	1			arrangement for recovering, in	
1	i			accordance with Section	
	1			251(b)(5) of the Act, the FCC	
1	ı			Internet Order, and other	
1	M2	1		applicable FCC orders and	
1	,	1		FCC Regulations, costs	
	1			incurred for the transport and	
	1			termination of Reciprocal	
	1			Compensation Traffic	
	1			originating on one Party's	
}	1			network and terminating on	
	1			the other Party's network (as	
1	1			set forth in subsection 5.7).	
	1			1.00	
	1			1.60a "Reciprocal	
L	L			Compensation Traffic" means	

 $\underline{KEY\ WHERE\ DISTINCTION\ AMONG\ PETITIONERS\ IS\ NECESSARY}:\ WorldCom\ (bold); \\ \underline{Cox}\ (underline\ text); \\ AT\&T\ (italic).$

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
				Telecommunications traffic	
				originated by a Customer of	
1 1				one Party on that Party's	
1				network and terminated to a	
				Customer of the other Party	
		\ \ \ \ \		on that other Party's network,	
				except for Telecommunications	
1				traffic that is interstate or	
				intrastate Exchange Access,	
1		1		Information Access, or	
		<u> </u>		exchange services for	
				Exchange Access or	
		\		Information Access.	
		1		Reciprocal Compensation	
		1		Traffic does not include: (1)	
}				any Internet Traffic; (2) Toll	
1		1		Traffic, including, but not	
] !				limited to, calls originated on a	
		1		1+ presubscription basis, or on	
i i		[a casual dialed	
1				(10XXX/101XXXX) basis; (3)	
1		1		Optional Extended Local	
		1		Calling Arrangement Traffic;	
1		1		(4) special access, private line,	
1 1				Frame Relay, ATM, or any	
1		1		other traffic that is not	
		į į		switched by the terminating	
				Party; or, (5) Tandem Transit	
1				Traffic.	
		\ \ \ \ \		1	
				1.71 "Toll Traffic" means	
				traffic that is originated by a	
				Customer of one Party on that	
				Party's network and terminates to	
				a Customer of the other Party on	
				that Party's network and is not	
1		1		Reciprocal Compensation Traffic,	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
1				Measured Internet Traffic or	
1				Ancillary Traffic. Toll Traffic	
1		1		may be either "IntraLATA Toll	
		1		Traffic" or "InterLATA Toll	
		1		Traffic," depending on whether	
				the originating and terminating	
				points are within the same LATA.	
				1.71a "Traffic Factor 1"	
				means a percentage calculated by	
1		1		dividing the number of minutes	
1				of interstate traffic (excluding	
ļ				Measured Internet Traffic) by	
1				the total number of minutes of	
Ì				interstate and intrastate traffic.	
				([Interstate Traffic Total Minutes	
İ				of Use {excluding Measured	
Į.				Internet Traffic Total Minutes of	
				Use } ÷ {Interstate Traffic Total	
1				Minutes of Use + Intrastate	
i		1		Traffic Total Minutes of Use x	
1				100). Until the form of a Party's	
				bills is updated to use the term	
İ				"Traffic Factor 1," the term	
1				"Traffic Factor 1" may be	
1				and in billing related	
İ				communications as "Percent	
				Interstate Usage" or "PIU."	
		1		incistate Osage Of 110.	
				1.71b "Traffic Factor 2" means	
1				a percentage calculated by	
. 1				dividing the combined total	
Į.				number of minutes of Reciprocal	
				Compensation Traffic and	
				Measured Internet Traffic by the	
		1		total number of minutes of	
				intrastate traffic. ([{Reciprocal	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
				Compensation Traffic Total	
1				Minutes of Use + Measured	
1		i i		Internet Traffic Total Minutes of	
				<u>Use</u> } ÷ Intrastate Traffic Total	
1				Minutes of Use] x 100). Until the	
				form of a Party's bills is updated	
1				to use the term "Traffic Factor 2,"	
1				the term "Traffic Factor 2" may	
				be referred to on the Party's bills	
1				and in billing related	
)]				communications as 'Percent	
				Local Usage" or "PLU."	
1		1			
]				5.6.1.1 If the originating Party	
		,		passes CPN on ninety-five	
} [1		percent (95%) or more of its	
				calls, the receiving Party shall	
1				bill the originating Party the	
1 1				Reciprocal Compensation	
				Traffic call completion rate, Measured Internet Traffic rate,	
		1		Intrastate Exchange Access	
				rates, intrastate/interstate	
1 1				Tandem Transit Traffic rates, or	
1 1				interstate Exchange Access	
				rates applicable to each minute	
1		1		of traffic, as provided in Exhibit	
				A, the FCC Internet Order and	
		[applicable Tariffs, for which	
				CPN is passed. For any	
				remaining (up to 5%) calls	
1		1		without CPN information, the	
				receiving Party shall bill the	
				originating Party for such traffic	
		Į		as Reciprocal Compensation	
				Traffic call completion rate,	
				Measured Internet Traffic rate,	
				intrastate Exchange Access	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
No.	Statement of Issue		Petitioners' Rationale	Language rates, intrastate/interstate Tandem or Tandem Transit Traffic rates, or interstate Exchange Access rates applicable to each minute of traffic, as provided in Exhibit A, the FCC Internet Order and applicable Tariffs, in direct proportion to the minutes of use of calls passed with CPN information. 5.6.1.2 If the originating Party	Verizon Rationale
				passes CPN on less than ninety- five percent (95%) of its calls and the originating Party chooses to combine Reciprocal Compensation and Toll Traffic on the same trunk group, the terminating Party shall bill its interstate Switched Exchange Access Service rates for all traffic passed without CPN	
				unless the Parties agree that such other rates should apply to such traffic.	
				5.6.2 Either Party may classify traffic as either Reciprocal Compensation Traffic/Measured Internet Traffic or Toll Traffic for billing purposes by using	
				Traffic Factor 1 and Traffic Factor 2, in lieu of CPN information. The Traffic Factor 1 and Traffic Factor 2 applicable upon the Effective Date are specified in Schedule 5.6. Such	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
1 1				Traffic Factors may be updated	
1 1				by the originating Party quarterly	
1 1		1		by written notification. The	
1				determination of whether traffic	
				is Reciprocal Compensation	
				Traffic or Measured Internet	
1 1				Traffic shall be in accordance	
1				with Section 5.7.5, below.	
1 1					
1					
) [5.7 _ Reciprocal	
				Compensation Arrangements	
1 (Section 251(b)(5)	
1 1				5.7.1 The Parties shall	
1				compensate each other for the	
		- I		transport and termination of	
1				Reciprocal Compensation	
1				Traffic over the terminating	
]				carrier's switch in accordance	
{ }				with Section 251(b)(5) of the Act	
1				at the rates provided in the	
1				Detailed Schedule of Itemized	
				Charges (Exhibit A hereto), as	
				may be amended from time to	
1				time in accordance with Exhibit A	
				and subsection 20.1. These rates	
				are to be applied at the Cox-IP	
				for traffic delivered by Verizon,	
				and at the Verizon-IP for traffic	
				delivered by Cox. No additional	
				charges shall apply for the	
1				termination of such Reciprocal	
1		1		Compensation Traffic delivered	
				to the Verizon-IP or the Cox-IP	
				by the other Party, except as set	
				forth in Exhibit A. When such	
				Reciprocal Compensation	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
1				Traffic is terminated over the	
1				same trunks as IntraLATA Toll	
]]		Traffic, any port or transport or	
į į		į, į		other applicable access charges	
				related to the delivery of	
1				IntraLATA Toll Traffic from the	
İ				IP to an end user shall be	
1 1				prorated to be applied only to the	
1				IntraLATA Toll Traffic. The	
1				designation of traffic as	
1				Reciprocal Compensation Traffic	
i i				for purposes of Reciprocal	
1				Compensation shall be based on	
1				the originating and terminating	
1				NPA-NXXs points of the	
1 1				complete end-to-end	
				communication. Reciprocal	
}				Compensation shall apply to	
				Internet Traffic handed off from	
1		1		one Party to the other Party via	
				the switched network for delivery	
1				to an Internet Service Provider	
[("ISP") for carriage over the	
				Internet.	
1				572 Tours	
1				5.7.2 Transport and	
1	יד			termination of the following types of traffic shall not be subject to	
[·		the Reciprocal Compensation	
1				arrangements set forth in this	
1		1		subsection 5.7, but instead shall	
				be treated as described or	
				referenced below:	
1				referenced below.	
				(a) Traffic_that (i) is delivered	
				by Verizon to Cox, (ii) originates	
				from and/or terminates to a third	
1		1		party carrier, and (iii) is not	
				party carrier, and (iii) is not	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
				switched access traffic shall be treated as Tandem Transit Traffic under Section 7.3.	
				(b) Traffic that (i) is delivered by Cox to Verizon, (ii) originates from and/or terminates to a third party carrier, and (iii) is not switched access traffic shall be treated as Tandem Transit Traffic under Section 7.3.	
				(c) Switched Exchange Access Service and InterLATA or IntraLATA Toll Traffic shall continue to be governed by the terms and conditions of the applicable Tariffs and, where applicable, by a Meet-Point Billing arrangement in accordance with subsection 6.3.	
				(d) No Reciprocal Compensation shall apply to Internet Traffic.	
				(e) No Reciprocal Compensation shall apply to traffic that is not switched by the terminating Party, such as special access, private line, or any other nonswitched traffic.	
				(f) Compensation for IntraLATA intrastate alternate-billed calls (e.g., collect, calling card, and third-party billed calls originated or authorized by the Parties'	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
				respective Customers in Virginia)	
1				shall be provided for under a	
1				separate arrangement mutually	
				agreed to by the Parties.	
1					
]				(g) Any other traffic not	•
1				specifically addressed in this	
				subsection 5.7 shall be treated as	
1				provided elsewhere in this	
]				Agreement, or if not so provided,	
1				as required by the applicable	
				Tariff of the Party transporting	
				and/or terminating traffic.	
)]			
1				5.7.3 Nothing in this Agreement	
				shall be construed to limit either	
				Party's ability to designate the	
				areas within which that Party's	
\		1		Customers may make calls which	
				that Party rates as "local" in its	
		1		Customer Tariffs.	
)		1		Customer Turnis.	
				5.7.4 The determination of	
		1		whether traffic is Reciprocal	
1				Compensation Traffic or	
				Internet Traffic shall be	
		1		performed in accordance with	
				Paragraphs 8 and 79, and other	
				applicable provisions, of the	
				FCC Internet Order (including,	
				but not limited to, in accordance	
		1		with the rebuttable presumption	
				established by the FCC Internet	
				Order that traffic delivered to a	
				carrier that exceeds a 3:1 ratio of	
1				terminating to originating traffic	
				is Internet Traffic, and in	
L	L		<u> </u>	accordance with the process	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
				established by the FCC Internet	
Ì				Order for rebutting such	
1				presumption before the	
1				Commission).	
1				1	
]				5.7.4 The designation of traffic	
Ĭ				as Local or IntraLATA Toll for	
1				purposes of compensation shall	
1				be based on the horizontal and	
1				vertical coordinates associated	
				with the originating and	
ĺ				terminating NPA-NXXs of the	
1		1		call, regardless of the carrier(s)	
ł				involved in carrying any segment	
-				of the call.	
]				675 5 1 5	
1		1		5.7.5 Each Party reserves the	
		1		right to audit all Traffic, up to a maximum of two audits per	
				calendar year, to ensure that rates	
				are being applied appropriately;	
1		ì		provided, however, that either	
1				Party shall have the right to	
		1		conduct additional audit(s) if the	
Ī		1		preceding audit disclosed material	
				errors or discrepancies. Each	
1		1		Party agrees to provide the	
				necessary Traffic data in	
ļ .				conjunction with any such audit in	
1				a timely manner.	
]		5.7.6 The Parties will engage in	
				settlements of intraLATA	
		.		intrastate alternate-billed calls	
				(e.g., collect, calling card, and	
				third-party billed calls) originated	
1				or authorized by their respective	
L				Customers in Virginia in	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
	Statement of Issue	Petitioners' Proposed Contract Language	Petitioners' Rationale	Verizon's Proposed Contract Language accordance with the terms of a separate IntraLATA Telecommunications Services Settlement Agreement between the Parties, to be executed no later than 90 days following the Effective Date of this Agreement. 5.7.7 The Parties' rights and obligations with respect to any intercarrier compensation that may be due in connection with their exchange of Internet Traffic shall be governed by the terms of the FCC Internet Order, and other applicable FCC orders and FCC Regulations. Notwithstanding any other provision of this Agreement or any Tariff, a Party shall not be obligated to pay any intercarrier compensation for Internet Traffic that is in excess of the intercarrier compensation for Internet Traffic that such Party is required to pay under the FCC Internet Order and other	Verizon Rationale
				applicable FCC orders and FCC Regulations.	
				5.7.8 In addition to those audit rights provided in Section 5.7.5 above, Verizon may conduct audits of the traffic billed as Reciprocal Compensation Traffic to determine whether such traffic	
				is Reciprocal Compensation Traffic and therefore subject to	

Issue		Petitioners' Proposed Contract		Verizon's Proposed Contract	
No.	Statement of Issue	Language	Petitioners' Rationale	Language	Verizon Rationale
				Reciprocal Compensation. If any	
1				such traffic is determined not to	
1				be Reciprocal Compensation	
1				Traffic, Verizon shall not pay	
ŀ				Reciprocal Compensation for that	
				portion which is determined not	
				to be Reciprocal Compensation	
\		<u> </u>		Traffic.	
i					
				7.1 Information Services	
				Traffic	
1				The following provisions shall	
				apply only to Cox-originated	
				Information Services Traffic	
				directed to an Information	
				Services platform connected to	
				Verizon's network, should Cox elect to deliver such traffic to	
				Verizon. At such time as Cox	
				connects Information Services	
				platforms to its network, the	
		1		Parties shall agree upon a	
1				comparable arrangement for	
				Verizon-originated Information	
				Services Traffic. The	
				Information Services Traffic	
į l		1		subject to the following	
				provisions is circuit switched	
				voice traffic, delivered to	
				information service providers	
				who offer recorded	
				announcement information or	
				open discussion information	
				programs to the general public.	
				Information Services Traffic	
L				does not include Internet Traffic.	